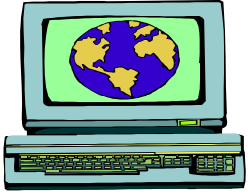# TOPIC 5: POSITION BUDGETING

The purpose of this topic is to convey the basic understanding of how budget information can be set up at the position level and how Position Control records can be updated with actual expenditures from each pay cycle.

The position budget functionality in SAM II HR/Payroll provides a tool for management to track position costs. It is not directly related to any accounting or appropriation attributes. Statewide budget preparation, execution, and reporting will be performed and maintained in the Budget Reporting and Analysis Support system (BRASS) and the Budget Data Warehouse.

The use of the position budget functionality in the SAM II HR/Payroll system is optional. Individual agencies may, at their own discretion, utilize this functionality to facilitate the process of budget control at the position level.

At the end of this topic, you will be able to:

- Describe how a budget is set up at the position level

- Complete a Position Budget Maintenance (PBMT) window

- Describe how position records are updated with budget information

POSITION BUDGET CONTROL PROCESS

STEP 1: REFERENCE TABLES	STEP 2: BUDGETING POSITIONS

Expense Category (PEXP)	Position Budget Status (PSBS)	Complete the Position Budget Maintenance (PBMT)

STEP 3: POSITION ACTUAL EXPENDITURES FROM PAY CYCLE	STEP 4: INQUIRIES

Offline Processes

Position Control Accounting Interface (HK00100C)	Position Control General Ledger Report (HK00200C)

Position Agency Budget [Months 1-6] (QPAB)	Position Agency Budget [Months 7-12] (QPA2)
Position Organization Budget [Months 1-6] (QPOB)	Position Organization Budget [Months 7-12] (QPO2)
Position Budget vs. Actuals [Months 1-6] (QPBA)	Position Budget vs. Actuals [Months 7-12] (QPB2)

POSITION BUDGET CONTROL PROCESS

The Position Budget Control process begins with setting up reference tables used to validate values relating to position budgeting. These reference tables include Expense Category (PEXP) and Position Budget Status (PSBS).

The second step is to budget a position, which is accomplished through the completion of the Position Budget Maintenance (PBMT) transaction. The PBMT is used to budget positions over a twelve-month period. Budget breakdowns can be monthly, quarterly, or semi-annually over a fiscal year. A position budget can be set up based on dollar amounts, time amounts, or units. A position must already be established and authorized in the SAM II HR/Payroll system before it can be budgeted.

The third step involves bringing in actual expenditures from each pay cycle to position budget inquiries. Two offline process are involved in updating position records with actual expenses: Position Control Accounting Interface and Position Control General Ledger Report.

The final step allows individual agencies to review information in position budget inquiries. By observing these inquiries, agencies can detect the variance that might exist between the position budget and the position actual expenditure. If the variance exists, managers can promptly take actions such as making adjustments to the position budget. This functionality provides agencies with opportunities to manage the position budget effectively and efficiently.

Let's go through the reference tables that must be set up prior to completing the PBMT.

EXPENSE CATEGORY (PEXP)

ADVANTAGE Desktop - OA110 - [Expense Category]

File   Edit   Display   Modify   Window   Help

	Expense Category	Effective Date	Expiration Date	Short Description	Long Description	Pay Input Definition	Budget Level
1	FRNGE	01 01 20	99 99 99	FRINGES	FRINGE PAYMENTS	D	P
2	REGLR	01 01 20	99 99 99	REGULAR	REGULAR PAYMENTS	T	P
3	REGL2	01 01 20	99 99 99	REGULAR	REGULAR FOR DOLLAR BASED PAY	D	P
4	REGL3	01 01 20	99 99 99	REGULAR	REGULAR FOR UNIT BASED PAY	U	P
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							

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NOTES

EXPENSE CATEGORY (PEXP)

The Expense Category (PEXP) window establishes budget levels and defines expenses into common categories that are required to create and change position related budget. For example, heath, dental, and life insurance fringe benefits can be grouped in expense category "fringe (FRINGE)." Budget level can be set up at the agency level, organization level, or position level. In this topic, we will discuss the budget set up at the position level.

Step 1 To open PEXP from the SAM II Desktop Navigator window, click on the Go To icon. Type PEXP in the "CODE". Click on the Open button.

Step 2 Select **Display**: **Browse Data.**

Step 3 Information for the expense category should now appear. Let's review the fields on the Expense Category window.

> **EXPENSE CATEGORY** – This field indicates the expense category that defines groups of similar payment expense events.

> **EFFECTIVE DATE** – This field indicates the date the expense category becomes effective.

> **EXPIRATION DATE** – This field indicates the last date the information is in effect.

> **SHORT DESCRIPTION** – This field indicates the short description of the expense category.

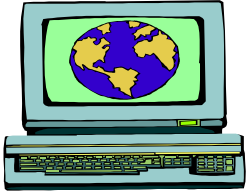> **LONG DESCRIPTION** – This field indicates the long description of the expense category.

> **PAY INPUT DEFINITION** – This field indicates the pay input definition code. Valid values are:

>> *T* – to set your budget in Time

>> *U* – to set your budget in Units

>> *D* **–** to set your budget in Dollars

An example of an expense category budgeted by units would be a meal allowance. An employee would be allowed 3 meals a day. Each meal would represent one unit.

EXPENSE CATEGORY (PEXP)

NOTES

EXPENSE CATEGORY (PEXP)

BUDGET LEVEL – This field indicates the budget level code. Valid values are:

A – Agency level. Only the agency code is required to create budgets for this expense category.

O – Organization level. Agency and organization codes are required to create budgets for this expense category.

P – Position level. Agency, Organization, and Position codes are required to create budgets for this expense category.

POSITION BUDGET STATUS (PSBS)

ADVANTAGE Desktop - OA110 - [Position Budget Status]

File Edit Display Modify Window Help

	Position Budget Status	Effective Date	Expiration Date	Short Description	Long Description
1	CLSED	01 01 20	99 99 99	CLSED STATUS	CLOSED STATUS
2	FREZE	01 01 20	99 99 99	FROZEN BUD	FROZEN BUDGET
3	NEW	01 01 20	99 99 99	NEW BUDGET	NEW BUDGET
4	OPEN	01 01 20	99 99 99	OPEN STATUS	OPEN STATUS
5	REDUC	01 01 20	99 99 99	RED BUDGET	REDUCED BUDGET
6					
7					
8					
9					
10					
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12					
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14					
15					

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NOTES

POSITION BUDGET STATUS (PSBS)

The Position Budget Status (PSBS) defines the status of a position budget and the types of changes being made to a position's budget. For example, the budget status could be new, reduced, or frozen.

Step 1 To open PSBS from the SAM II Desktop Navigator window, click on the Go To icon. Type PSBS in the "CODE". Click on the Open button.

Step 2 Select **Display**: **Browse Data.**

Step 3 Information for the Position Budget Status should now appear. Let's review the fields on the Position Budget Status window.

POSITION BUDGET STATUS – This field indicates the Budget Status code.

EFFECTIVE DATE – This field indicates the date the budget status becomes effective.

EXPIRATION DATE – This field indicates the last date the information is in effect.

SHORT DESCRIPTION – This field indicates the short description of the budget status.

LONG DESCRIPTION – This field indicates the long description of the budget status.

POSITION BUDGET MAINTENANCE (PBMT)

NOTES

COMPLETING A POSITION BUDGET MAINTENANCE (PBMT)

SCENARIO

The Department of Agriculture has determined quarterly budgets for the position of Research Analyst I for the fiscal year.   The budget amount is $250,000.00 for each quarter.   The Department of Agriculture wishes to utilize the position budget functionality in the SAM II HR/Payroll system to track position budget vs. position actual expenditures for informational purpose. The quarterly budget for the Research Analyst I position can be established using the Position Budget Maintenance (PBMT) transaction.

The PBMT must be completed and approved to budget a position.

Step 1 To open PBMT from the SAM II Desktop Navigator window, click on the Go To icon. Type PBMT in the "CODE". Click on the Open button.

Step 2 Populate the following fields to access entries on the PBMT table.
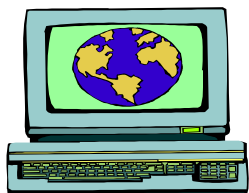
FISCAL YEAR – Required. Enter the fiscal year (yy) format for which you are budgeting. Valid values are located on the Fiscal Year (FYSR) window. Type **01**.

AGENCY – Required. Enter the code for the budgeting agency that controls this budget. Valid values are located on the Agency Index (AGCY) window. Type **350**.

ORGANIZATION – Conditional. Required if the budget is set at the organization level. Enter the code for the management organization that controls the position. Valid values are located on the Organization Index (ORGN) window. Type **3120**.

POSITION NUMBER – Conditional. Required if the budget is set at the position level. Enter the position number since we are setting budget at the position level. If the budget is set at a level above the position level (e.g., the agency or the agency/organization level), leave this field blank. Valid values are located on the Position Status Inquiry (QPST) window. **SEE STUDENT CARD**.

EXPENSE CATEGORY – Required. Enter the appropriate expense category code. Valid values are located on the Expense Category (PEXP) window. Override values are located on the Override Expense Category (PEX2) window. Type **REGLR**.

POSITION BUDGET MAINTENANCE (PBMT)

NOTES

COMPLETING A POSITION BUDGET MAINTENANCE (PBMT)

BUDGET STATUS – Required. Enter the appropriate budget status. For example, the budget status could be new, reduced, frozen. Valid values are located on the Position Budget Status (PSBS) window. Type **NEW**.

EVENT DATE – Required. Enter the date the position budget status takes effect. Type **TODAYS DATE**.

CURRENT TOTAL BUDGETED UNITS – Inferred. The total of the actual current units budgeted is displayed, if applicable.
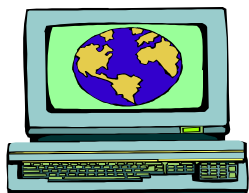
CURRENT TOTAL BUDGETED AMOUNTS – Inferred. The dollar amount of the current total units is displayed.

ADJUSTMENT TO TOTAL BUDGETED UNITS – Conditional. Use this field if Pay Input Definition is T (time) or U (unit) for this expense category on the Expense Category (PEXP) window. For a new budget, enter the number of units that is the total for the annual budget.

For an existing budget, this is the change to the overall current actual amount (positive or negative). Enter hours and minutes in (h. mm) format if Pay Input Definition is T (time). Enter a positive or negative whole number if Pay Input Definition is U (unit). The effect of the change cannot bring the fiscal year total to a negative condition. A decrease greater than the existing actual units is not allowed. The fiscal year total must equal the sum of the monthly units if those fields are used.

ADJUSTMENT TO TOTAL BUDGETED AMOUNT – Conditional. Required if Expense Category is in Dollar Amount (D). Optional if Expense Category is Time or Unit. Enter a positive or negative whole number. For a new budget, this dollar amount is the total for the annual budget. According to our scenario, we will enter the new total budget amount $1,000,000.00 in this field.

For an existing budget, this is the change to the overall actual amounts (positive or negative). The effect of the change cannot bring the fiscal year total to a negative condition. A decrease greater than the existing actual dollar amounts is not allowed. Also, the fiscal year total cannot be decreased less than the sum of the monthly actual dollar amounts, if those fields are used. Type **1,000,000.00**.

POSITION BUDGET MAINTENANCE (PBMT)

NOTES

COMPLETING A POSITION BUDGET MAINTENANCE (PBMT)

ADJUSTMENT TO BUDGETED UNITS BY FISCAL MONTH - Optional. If entering a new budget, fill in the total budget unit amount for the relevant months. If making an adjustment, fill in the adjusted unit amount (positive or negative) for the relevant months.

ADJUSTMENT TO BUDGETED AMOUNT BY FISCAL MONTH - Optional. Enter the new quarterly budgeted for Fiscal Month 1, 4, 7, and 10. Type **250,000.00** on lines 1,4,7, and 10.

If making an adjustment, enter the adjustment dollar amount (positive or negative) for the relevant months.

POSITION BUDGET MAINTENANCE (PBMT)

NOTES

PROCESS AND UPDATE A POSITION BUDGET MAINTENANCE (PBMT)

You have completed entering the field information to budget a position using the PBMT and it is time to update the transaction. No approvals are required for the PBMT. Therefore, the window is updated immediately.

Now, let's complete the approval processing of the PBMT.

Step 1: Select **Process: Update.**

If your transaction is free of errors, a message will appear in the yellow message bar at the bottom of the transaction window telling you that the update was successful. If the transaction contains errors, messages will appear specifying the errors. You would need to correct the errors and repeat Step 1.

Your PBMT record is now accepted by the system. This entry will update the following inquiry windows, which will be discussed in the Inquiries topic:

- The Position Agency Budget Inquiry [Months 1-6] (QPAB)

- The Position Agency Budget Inquiry [Months 7-12] (QPA2)

- The Position Organization Budget Inquiry [Months 1-6] (QPOB)

- The Position Organization Budget Inquiry [Months 7-12] (QPO2)

- The Position Budget vs. Actuals [Months 1-6] (QPBA)

- The Position Budget vs. Actuals [Months 7-12] (QPB2)

Step2 Close the PBMT transaction.

NOTES

POSITION ACTUAL EXPENDITURES

The SAM II HR/Payroll Position Control records can be updated with actual position expenditures from each pay cycle. Actual expenditure information can be reviewed on the inquiry windows stated previously. In addition, agencies can compare the budget vs. actual expenditure in these inquiry windows. These windows also provide "Variance" fields, which allow users to examine the difference between the budget vs. actual expenditures.

Initiation of this procedure will occur once requested by a user Agency. It is important to note that the expenditure information by position is not directly linked to any accounting or state appropriation data. It is for informational purpose only.

Two offline processes are involved in updating Position Control records with actual expenditures:

▪ Position Control Accounting Interface – updates position budget records and produces an extract file summarizing the updates in preparation for the Position Control General Ledger report.

▪ Position Control General Ledger Report – generates a report summarizing updates to the position control budget records.

The offline processes listed above will update **all** position records with actual expenditures, regardless of whether a position budget amount has been established by each agency. Therefore, once this procedure is implemented, agencies who do not establish position budget amounts will see negative variance amounts on the inquiry windows since there will be actual amounts without budgeted amounts.

ACTIVITY

- Your agency asked you to budget a position on a semi-annual basis in the SAM II HR/Payroll system. The total budget amount is $200,000.00. This amount is to be equally divided. What fields on the PBMT would need to be completed in order to accomplish this?

EXERCISES

The Department of Revenue budgeted $36,000.00 to spend on the "Accountant" position for the fiscal year. The budget breakdown is based on a monthly basis. Complete the PBMT window to budget the "Accountant" position in the SAM II HR/Payroll system.

Fiscal Year	01
Agency	860
Organization	4030
Position Number	SEE STUDENT CARD
Expense Category	REGLR
Budget Status	NEW
Event Date	Today's Date
Adjustment To Total Budgeted Amount	$36,000.00
Adjustment To Budgeted Amount By Fiscal Month (Months 1-12)	$3,000.00

NOTES